

Message Text

LIMITED OFFICIAL USE

PAGE 01 SANTIA 04165 161723Z

70

ACTION ARA-20

INFO OCT-01 ISO-00 AGR-20 CEA-02 CIAE-00 COME-00 DODE-00

EB-11 FRB-03 H-03 INR-11 INT-08 L-03 LAB-06 NSAE-00

NSC-07 PA-04 RSC-01 AID-20 CIEP-02 SS-20 STR-08

TAR-02 TRSE-00 USIA-15 PRS-01 SP-03 OMB-01 SWF-02

FEA-02 DRC-01 /177 W

----- 005068

R 161505Z JUL 74

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 9409

INFO AMEMBASSY BOGOTA

AMEMBASSY CARACAS

AMEMBASSY LA PAZ

AMEMBASSY LIMA

AMEMBASSY MONTEVIDEO

AMEMBASSY QUITO

AMEMBASSY BUENOS AIRES

LIMITED OFFICIAL USE SANTIAGO 4165

E.O. 11652: N/A

TAGS: EGEN, EFIN, CI

SUBJECT: CHILEAN FOREIGN INVESTMENT STATUTE AND ANCOM DECISION 24

REF: SANTIAGO 4157

1. NEWLY APPOINTED MINISTER FOR ECONOMIC COORDINATION, RAUL SAEZ, WAS FINAL EDITOR OF FOREIGN INVESTMENT STATUTE(REFTEL). HE CHECKED AND RECHECKED CONTENTS WITH WIDE RANGE OF ECONOMIC, POLITICAL AND LEGAL ADVISORS IN PUBLIC AND PRIVATE SECTORS,

2. ACCORDING TO SAEZ, MOST DIFFICULT TASK, AND ONE THAT LED TO FREQUENT POSTPONEMENT OF ISSUANCE OF STATUTE, WAS SQUARING STATUTE WITH ANCOM DECISION 24. IN THIS REGARD, SAEZ TOLD
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SANTIA 04165 161723Z

EMBASSY THAT FINAL WORDING OF ARTICLE 19 (SUBPARAGRAPH F, REFTEL)

WAS INFLUENCED BY GOC CONVICTION THAT DECISION 24 WAS NEVER PROPERLY RATIFIED BY CHILE AND THEREFORE IS NOT "VALIDLY OBLIGATORY".

3. NEVERTHELESS, SAEZ SAID, GOC WILL CONTINUE TO DISCUSS MODIFICATION OF DECISION 24 WITH THE ANCOM JUNTA AND MEMBER COUNTRIES. GOC WOULD LIKE TO SEE ENTIRE ANDEAN INVESTMENT CODE MADE MUCH LESS SPECIFIC. SAEZ SAID ANCOM JUNTA HAD SUGGESTED THAT GOC PROPOSE CHANGES IT WISHED TO SEE IN DECISION 24, BUT THAT GOC PREFERS NOT TO BE ALONE IN THIS INITIATIVE. HE BELIEVES MOST PACT MEMBERS NOW REALIZE CODE IS TOO RESTRICTIVE. MEANWHILE, NEW CHILEAN STATUTE OFFERS ALTERNATIVE CODE FOR FOREIGN INVESTORS NOT ASKING FOR ANCOM BENEFITS. ACCORDING TO SAEZ, MAJORITY OF CURRENT POTENTIAL INVESTORS ARE IN THIS CATEGORY. MOST OF APPROXIMATELY 25 FOREIGN FIRMS WHICH HAVE INDICATED INTENT TO INVEST HERE ARE MINING COMPANIES - AGAIN ON EXCEPTED CATEGORY.

4. COMMENT: STATUTE IS GENERALLY NON-SPECIFIC, GIVING GREAT LATITUDE TO COMMITTEE FOR FOREIGN INVESTMENTS (CFI). SINCE ARTICLE 29 OBLIGES THE CFI, INTER ALIA, TO PROMOTE FOREIGN INVESTMENT IN THE COUNTRY AND SINCE GOC SO ANXIOUS TO ATTRACT SUCH INVESTMENT, EMBASSY ASSUMES CFI WILL INTERPRET THE STATUTE AS LIBERALLY AS POSSIBLE, ONCE CHILE'S INTEREST IN A SPECIFIC INVESTMENT HAS BEEN ESTABLISHED. ON THIS ASSUMPTION, NEW STATUTE SHOULD PROVE ATTRACTIVE TO FOREIGN INVESTORS. POPPER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN INVESTMENT, PUBLICATIONS, INVESTMENT LAW, COMMITTEES
Control Number: n/a
Copy: SINGLE
Draft Date: 16 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GarlanWA
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SANTIA04165
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740190-1014
From: SANTIAGO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740745/aaaabmgf.tel
Line Count: 87
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: SANTIAGO 4157
Review Action: RELEASED, APPROVED
Review Authority: GarlanWA
Review Comment: n/a
Review Content Flags:
Review Date: 04 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 SEP 2002 by shawdg>; APPROVED <25 MAR 2003 by GarlanWA>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CHILEAN FOREIGN INVESTMENT STATUTE AND ANCOM DECISION 24
TAGS: EGEN, EFIN, CI, COMMITTEE FOR FOREIGN INVESTMENT, CFI, ANCOM
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005